

**Military  
Health  
System**



# The “New West”

**New Generation Contract and Governance  
in the Western Region**

**Malcolm M. Dejnozka, Col, USAF, MC, FS  
Medical Director, TRO - West**

# Objectives

- ◆ **TRICARE Regional Office – West**
- ◆ **Essentials of New Contract**
- ◆ **Governance Plan**
- ◆ **Transition**
- ◆ **Significant Related Issues**
- ◆ **Summary**
- ◆ **Questions**

# Director TRICARE Regional Office



**REAR ADMIRAL  
JAMES A. JOHNSON  
MC, USN**

# Contracts for Health Care Services & Support



## ◆ Now

- 11 regions and 7 contractors

## ◆ New

- 3 regions and 3 contractors
  - » Better customer service
  - » Improved portability
  - » Improved Access
  - » Quality care

*CONUS New TRICARE Contracts for Health Care Services & Support*

# TRICARE Regional Offices



# The New West



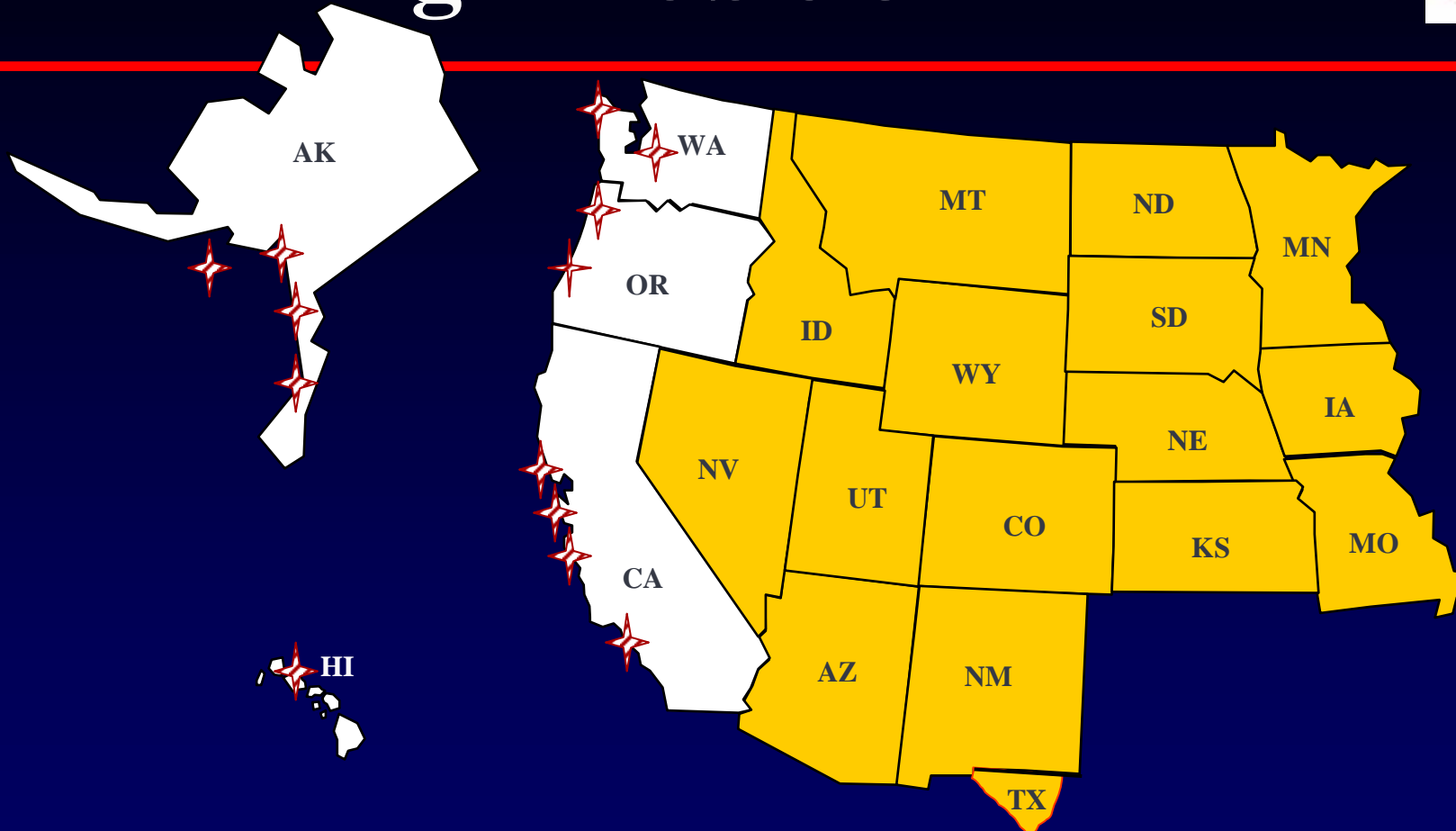
## ◆ DoD

|           |   | Intermediate Commands | Facilities |
|-----------|---|-----------------------|------------|
| Air Force |  | 7                     | 30         |
| Army      |  | 3                     | 19         |
| Navy      |  | 1                     | 37         |

## ◆ Veterans Affairs

| VISNs | Facilities |
|-------|------------|
| 7     | 304        |

# West Region USCG Facilities



**Group/Air Station Port Angeles, WA**  
**Group/Air Station Astoria, OR**  
**TRACEN Petaluma, CA**  
**ISC San Pedro, CA**  
**ISC Kodiak, AK**  
**17th CG District Juneau, AK**

**ISC Seattle, WA**  
**Group/Air station Humboldt Bay, CA**  
**ISC Alameda, CA**  
**ISC Honolulu, HI**  
**Air Station Sitka, AK**  
**ISC Ketchikan, AK**

# New TRICARE Regions

## ◆ New Regions

|                        | North      | Southern   | West           |
|------------------------|------------|------------|----------------|
| ◆ <u>Lead Agents</u>   |            |            | Central, 9, 10 |
| —                      | 1, 2, 5    | 3, 4, 6    | 11, 12 + AK    |
| ◆ <u>Beneficiaries</u> |            |            |                |
| —                      | 2,084,300  | 2,238,774  | 2,070,671      |
| ◆ <u>Claims</u>        |            |            |                |
| —                      | 11,704,670 | 16,176,829 | 11,106,263     |



# Multi-Service Markets Senior Market Managers



## ◆ Army Lead

- Puget Sound, WA – Madigan AMC
- Hawaii – Tripler AMC
- Fairbanks, AK – Bassett ACH

## ◆ Air Force Lead

- Colorado Springs – AF Academy Hosp
- Anchorage, AK – Elmendorf (3MDG)

## ◆ Navy Lead

- San Diego, CA – \*Naval MC, San Diego

# TRICARE Organizational Relationships



**Director  
TMA**

**Chief Operating  
Officer, TMA**

**Rear Admiral  
James Johnson**

**Regional  
Director  
West  
(Flag)**

**Regional  
Director  
North  
(Flag/SES)**

**Regional  
Director  
South  
(Flag/SES)**

**Deputy  
Directors**  
- Europe  
- Latin Am  
- Pacific  
(O-6s)

**TRICARE  
Alaska Office**

# TRICARE Regional Office - West



**Regional Director**  
**RADM Johnson**

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**Chief Operating Officer**  
**Col. Norm Spector, USAF, MSC**

**IM/IT**  
**Operations**  
**Department**

**Business**  
**Operations**  
**Department**

**Program**  
**Operations**  
**Department**

**CAPT. Cynthia**  
**DiLorenzo**  
**MSC, USN**

**Clinical**  
**Operations**  
**Department**

**Col. Malcolm**  
**Dejnozka**  
**USAF, MC, FS**

**Contract**  
**Operations**  
**Department**

# Next Generation - Objectives

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- ◆ **Optimization of Direct Care System**
- ◆ **High Beneficiary Satisfaction**
- ◆ **Best Commercial Practices**
- ◆ **Minimal Disruption During Transition**
- ◆ **Government Access to Data**

# Next Generation: What's the same



- ◆ **TRICARE benefit package - triple option**
- ◆ **PCM concept with referrals**
- ◆ **Contractor builds networks to augment MTFs**
- ◆ **PRO authority remains with contractor**
- ◆ **TRICARE prime remote program**
- ◆ **Appeals/program integrity remain essentially the same**

# Next Generation: What's the same



- ◆ **MTF retains first refusal for referrals**
- ◆ **Network access standards**
- ◆ **Claims timeliness and accuracy standards**
- ◆ **Retain TRICARE service centers**
- ◆ **Regulatory authorizations**
  - **program for persons with disabilities**
  - **inpatient mental health**
  - **adjunctive dental care**
  - **admissions to residential treatment centers, etc.**

# New Generation Improvements



- ◆ **Performance Based Contract**
- ◆ **Network**
  - Accreditation
- ◆ **Claims Processing**
- ◆ **Ensures Referral Reports Meet Time Standards (HIPAA Compliant)**
  - 98% w/in 10 days for Specialty Care
  - 98% w/in 24 Hours for Emergent
  - Method of Transmission in MTF MOU

# New Generation Improvements



- ◆ **Operate a Medical Management Program**
  - Case/Utilization/Disease Management
  - Includes all Beneficiaries Authorized to receive reimbursement for Civ Health Care (incl. AD)
  - Must Coordinate Care with MTF
- ◆ **Enrollments, Re-Enrollments, Dis-enrollments, Transfers, T-Plus Enrollment**
  - Accomplished by the Contractor
  - Includes: PCMBN assignment; follows MTF guidelines



# New Generation Improvements



- ◆ **Unlimited Read Only Access to All TRICARE Related Data**
  - **Authorizations Limited to 2 per MTF**
  - **Regions, Intermediate Commands, and SGs**

# New Generation Improvements

- ◆ **Contractor, TRO-Director, MTF/CC**
  - **Ensure most Efficient Mix of Health Care**
  - **Includes MHS and Contractor Care**
  - **Develops Wartime, OOTW, and Training Contingency Plans with MTF**
    - » **Contractor Participates in Contingency Exercises**
    - » **Contingency Plans in-place 48 hours after notification**

# Governance Plan

- ◆ **Role of TRICARE Regional Office**
- ◆ **T-Now Lead Agent Role**
- ◆ **Role of Multi-Service Market Managers/  
Senior Market Managers**
- ◆ **Services**
- ◆ **Role of MTFs**

TRICARE Governance letter (22 Oct 2003)  
David S. C. Chu, Under Secretary of Defense

# Governance Plan Regional Director



## ◆ Responsibilities

- **Management of the TRICARE Contracts**
- **Integration of Senior Market/Single Market and non-MTF Market Business Plans into a One Regional Business Plan**
- **Investment Capital for Regional Initiatives**
- **Manages the care for the non-MTF markets**
- **Establishes liaison with VISNS for DoD/VA issues**
- **Chair, TRICARE Regional Advisory Comm**

# Governance Plan T-Now Lead Agents



## ◆ Responsibilities

- Phase out current contract
- Phase out Lead Agent Office
- Offer Transition Assistance
- Stand up Market Manager

# Governance Plan : Multi-Service/Senior Market Managers



## ◆ Market Manager Responsibilities

- Coordinate development of a single integrated business plan
- Recommend temporary operational decisions

# Governance Plan The Services



- ◆ **Service SGs**
  - **Approve Business Plans**
  - **Resource MTFs IAW approved business plans**

# Governance Plan MTF Commanders



## ◆ Responsibilities

- **Develop & submit Business Plans**
- **Develop & implement Joint Program in multi-service areas**
- **Identify/develop DoD/VA sharing**
- **Manage care of MTF Prime (Revised Financing)**
- **Develop MOUs/RSAs with contractor and submit**
- **Support/participate in Regional activities**



# Transition



## *The Prime Directive*

**“The beneficiary sees nothing other  
than improved service on June 1, 2004”**

**James A. Johnson, RADM, TRO-W Director**

# Transition Timelines

## New Contract Start of Health Care Dates

- ◆ Jun 1, 2004 - Region 11
- ◆ Jul 1, 2004 - Regions 9, 10, 12 and Alaska)
- ◆ Oct 1, 2004 - Central Region (7/8)

# Transition to Implementation

- ◆ **Post-Award Conference - Completed**
- ◆ **Transition Specification meetings (TriWest, HealthNet, TMA, TRO) in progress – wide range of issues**
- ◆ **MTF visits next (by TriWest & HealthNet)**
- ◆ **TRO – West awaiting hiring authority and funds distribution**

# Significant Related Issues

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- ◆ **MOUs**
- ◆ **Resource Support Agreements**
- ◆ **Non-Availability Statements**
- ◆ **Case Management**
- ◆ **Network Accreditation**

# Significant Related Issues

## ◆ MOUs between MTF and Contractor

- MOUs are operational documents between parties
- It cannot change any condition of the contract
- MOU template to be available to MTF/CCs
- Guidance Package will accompany template
- TRO will assist in preparation, but individual Services are major players

# Significant Related Issues

- ◆ **Resource Sharing/Support Agreements**
  - Existing RSA's will terminate at expiration of current contracts
  - Best Interest of the Government & Contractor Contractor may be one “vending” source for services, & “earn” revenue by costs avoided
  - Under New Contract, MTF absorbs related costs in O&M

# Significant Related Issues

- ◆ **Resource Sharing/Support Agreements (cont'd)**
  - **Conversion Concerns**
    - » Will the funding come in time?
    - » Will your current Resource Sharing staff jump ship?
    - » Recruiting in remote areas are hard-to fill
    - » Non-complete clauses
- ◆ **Plan appropriately**
  - DoD committed to maintain level of effort
  - Funding for conversions, provided to the Services
    - ~ 6 months prior to start of healthcare delivery

# Significant Related Issues

## ◆ Non-Availability Statements

- 28 Dec 03 Start Date – No NAS required for in-patient care except:
  - » Inpatient Mental Health
- ASD retains waiver authority for:
  - » Specific procedures at
  - » Specific MTFs (subject to statutory reporting to Congress & beneficiary groups)
- Look to Service for guidance
  - » The “bar” is extremely high



# Significant Related Issues

## Non-Availability Statements (cont'd)

- ◆ **Section 735 of NDAA-02 gives SecDef authority to waive the NAS elimination requirements if:**
  - (a) **Significant costs avoidance**
  - (b) **Clinical proficiency; or**
  - (c) **the lack of NAS data would significantly interfere with TRICARE contract admin.**

# Significant Related Issues

## Non-Availability Statements (cont'd)

- ◆ **Criteria: Waivers, MTF & procedure (CPT/DRG clinical service) specific**
- ◆ **MTFs**
  - **Assess the impact**
  - **If significant, apply based on supportive “data” and analysis”**
  - **Check with your Service**

# Significant Related Issues

## ◆ Cases Caught in Transition

### – Outgoing to incoming Contractors

- » Diligently working to transfer management prior
- » Hospitalized Patients during transition
- » Patients in Case Management

# Significant Related Issues

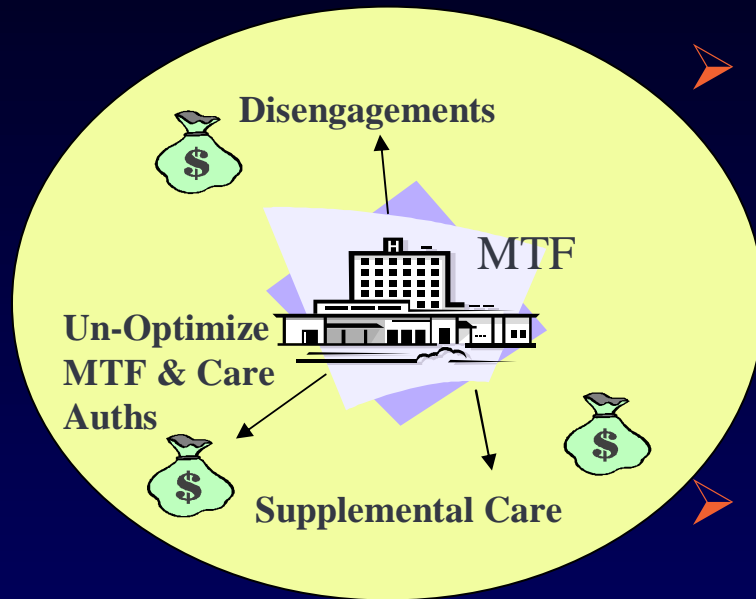
## ◆ URAC Network Accreditation

- 34 states and District of Columbia recognize URAC accreditation
- Office of Personnel Management recognizes URAC accreditation, meets Federal Employee Health Benefits program requirements
- TRICARE program recognizes URAC's Health Network Accreditation

# Significant Related Issues

- ◆ **URAC Network Accreditation (cont'd)**
  - **A leading accrediting body for PPOs, behavioral health, chiropractic, complementary/alternative medicine and workers' compensation networks**
  - **Accredited > 100 networks since 1995**
  - **Offers 15 Accreditation Programs**
    - » **Network, Case Mngt, Claims Processing, Disease Mngt, Credentialing, UM, Health Website, Health Plan, HIPAA Privacy/Security, Independent Review, Worker's Comp UM**

# SUCCESS FACTORS



Market Area  
Lost Opportunities

- **Strong MTF/CC involvement**
  - Optimizing MTF
  - Maximize care to MTF enrollees & Non-MTF enrollees in market area
- **Strong Referral screening**
  - Understand what 'leaks out'
  - Appointment template management
- **Partnering with Contractor**
  - New support agreements
  - Business initiatives

# SUCCESS FACTORS

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**Best Strategy for success**

**Enroll those you can care for**

**Care for those you enroll**

# Summary

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- ◆ **TRO – West**
- ◆ **Essentials of New Contract**
- ◆ **Governance Plan**
- ◆ **Transition**
- ◆ **Significant Related Issues**



# Questions

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# Sunny Southern California



# Sunny Southern California









# Questions



